

Message Text

SECRET

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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FM AMEMBASSY OSLO

TO SECSTATE WASHDC IMMEDIATE 9403

SECDEF WASHDC IMMEDIATE

S E C R E T SECTION 1 OF 2 OSLO 0954

EXDIS

SECDEF HANDLE SPECAT EXCLUSIVE

FOR SECRETARY KISSINGER AND SECRETARY SCHLESINGER

E.O. 11652: GDS

TAGS: BEXP, MASS, NO, NATO

SUBJECT: AIRCRAFT REPLACEMENT ISSUE

REF: OSLO 911

SUMMARY: IN SEPARATE MEETING WITH PRIME MINISTER BRATTELI AND DEFENSE MINISTER FOSTERVOLL MARCH 6, I MADE FORCEFUL DEMARCHE AS OUTLINED REFTEL STRESSING IMPORTANCE OF NORWAY REMAINING IN FOUR-NATION CONSORTIUM AND MAKING FINANCIALLY-BACKED COMMITMENT TO SUPPORT COPRODUCTION OF F-16 IN EUROPE. PROMPT ACTION ENABLED ME TO COMMUNICATE VIEW OF THE US GOVERNMENT TO THE PRIME MINISTER PRIOR TO ANY DETAILED DISCUSSION OF AIRCRAFT ISSUE BY NORWEGIAN CABINET. ALTHOUGH I RECEIVED NO GUARANTEES FROM THE PRIME MINISTER, HE NOW HAS COMPREHENSIVE UNDERSTANDING OF PROBLEM AND HE BELIEVES, AS DOES MINISTER OF DEFENSE, THAT NORWAY WILL BE ABLE TO REMAIN IN CONSORTIUM UNDER AS YET UNSPECIFIED COMPROMISE TERMS. END SUMMARY

1. I SPENT ONE HOUR WITH PRIME MINISTER BRATTELI

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ON MARCH 6 DEVOTED ALMOST EXCLUSIVELY TO AIRCRAFT

REPLACEMENT ISSUE AND LEFT WITH HIM TALKING POINTS SUMMARIZING USG VIEWS ON WHY NORWAY SHOULD REMAIN IN CONSORTIUM AS A FULL PARTNER AND ANNOUNCE SOONEST NORWEGIAN INTENTION TO PURCHASE F-16 WITH THE CONSORTIUM. IN DISCUSSION WITH PRIME MINISTER, I EXPRESSED SERIOUSNESS WITH WHICH US WOULD REGARD A NORWEGIAN POSTPONEMENT OF PARTICIPATION IN THE FOUR-NATION CONSORTIUM AND, SHOULD THE CONSORTIUM ITSELF DISINTEGRATE AS A RESULT OF NORWEGIAN INACTION, WHAT THE NATO ALLIANCE WILL HAVE LOST IN ITS CRUCIAL EFFORTS TOWARD STANDARDIZATION. I POINTED OUT THAT WE HAD IN THE PAST BEEN MOST GRATIFIED BY NORWEGIAN LEADERSHIP IN THE EUROGROUP AND THAT THE US GOVERNMENT HAD RESPONDED POSITIVELY TO URGENT REQUESTS FROM NORWAY TO MOVE UP OUR DECISION ON THE LIGHT-WEIGHT FIGHTER AIRCRAFT. REFERRING TO THE PROBLEM POSED BY THE DELIBERATIONS OF THE HIGH LEVEL DEFENSE COMMISSION PRESENTLY REVIEWING NORWEGIAN SECURITY POLICY (SEE REFTTEL), I STATED MY BELIEF THAT THE OVERALL STRATEGY FOR THE DEFENSE OF NORWAY WILL NOT CHANGE, THAT REPLACEMENT FIGHTERS WILL BE REQUIRED IN ANY EVENT AND IT THEREFORE APPEARS TO US THAT THE IMPORTANT WORK OF THE DEFENSE COMMISSION WILL NOT BE PREEMPTED BY A NORWEGIAN DECISION TO ACQUIRE THE F-16 NOW AND TO PARTICIPATE IN THE FOUR-NATION CONSORTIUM. FINALLY, I DETAILED SOME OF THE VERY SUBSTANTIAL BENEFITS THAT NORWAY STANDS TO LOSE BY FAILING TO PARTICIPATE IN THE FOUR-NATION CONSORTIUM, EXPRESSED DOUBT THAT THE FAVORABLE PRICE CURRENTLY OFFERED FOR THE F-16 COULD BE KEPT AT THIS LOW LEVEL WERE NORWAY TO POSTPONE ITS DECISION AND ALERTED THE PRIME MINISTER TO THE UNLIKELIHOOD THAT THE F-16 COULD THEN BE CONFIGURED TO SPECIFIC NORWEGIAN REQUIREMENTS.

2. BRATTELI RESPONDED THAT HE MUST HAVE THE SUPPORT OF THE NORWEGIAN STORTING (PARLIAMENT) ON ANY DEFENSE MATTER, BUT PARTICULARLY ON THIS ISSUE. HE FELT CONFIDENT THAT THE STORTING IN TURN WOULD

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INSIST ON A DECISIVE ROLE FOR THE DEFENSE COMMISSION WHOSE MANDATE INCLUDES THE FUTURE STRUCTURE OF THE NORWEGIAN AIR FORCE. THE PRIME MINISTER EMPHASIZED THE FIRM AND CONTINUING NATURE OF NORWAY'S COMMITMENT TO NATO AND THE WEST. WHEN THE PRIME MINISTER DECLARED THAT AS FAR AS HE CAN DETERMINE NORWAY HAS NO INTENTION OF ACQUIRING ANY AIRCRAFT OTHER THAN THE F-16, I REITERATED THE IMPORTANCE OF

NORWAY REMAINING IN THE CONSORTIUM NOW BACKED UP BY A FIRM COMMITMENT TO PARTICIPATE IN CO-PRODUCTION INCLUDING A PENALTY FOR BREAKING THE COMMITMENT. AS IF TO JUSTIFY THE GOVERNMENT'S FAILURE TO CONSULT THE CABINET OR SEEK STORTING APPROVAL OF PAST NORWEGIAN POLICY, BRATTELI STATED THAT IT WAS DIFFICULT TO ANTICIPATE THE RAPID PACE OF DEVELOPMENTS IN THE FOUR-NATION CONSORTIUM.

3. WHILE PRIME MINISTER BRATTELI WAS POSITIVE IN HIS REACTION TO MY DEMARCHE, HE COULD NOT GUARANTEE THAT HE COULD "DELIVER" THE CABINET ON A DECISION TO REMAIN IN THE CONSORTIUM BACKED UP BY A FIRM COMMITMENT BEFORE ITS MEMBERS HAD AN OPPORTUNITY TO REVIEW THE MATTER. FURTHER MORE, A DECISION BY THE NORWEGIAN CABINET TO FOLLOW THIS COURSE OF ACTION IS NO GUARANTEE THAT THE STORTING WOULD ENDORSE SUCH A POLICY AS WELL.

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4. DEFENSE MINISTER FOSTERVOLL HAD ASKED TO SEE ME IMMEDIATELY FOLLOWING MY SESSION WITH BRATTELI. FOSTERVOLL APPEARED PLEASED WITH THE RESULT OF MY MEETING WITH THE PRIME MINISTER AND OBSERVED THAT THE TALKING POINTS PRESENTED IMPORTANT ARGUMENTS THAT WERE DIFFICULT FOR HIM TO EXPRESS TO BRATTELI

HIMSELF. IT IS OBVIOUS THAT NORWEGIANS FROM FOSTERVOLL ON DOWN HAD NOT THOUGHT OUT THE PRECISE TERMS OF ANY PROPOSED COMPROMISE OPTION. TO ELIMINATE THE POSSIBILITY OF ANY MISUNDERSTANDING I ADVISED FOSTERVOLL THAT IN A CO-PRODUCTION CONSORTIUM, AS IN ANY BINDING BUSINESS ARRANGEMENT, PENALTIES ARE IMPOSED FOR FAILURE TO ADHERE TO THE TERMS OF THE COMMITMENT. AS FOSTERVOLL ENVISAGES THE PROPOSAL NOW, NORWAY WOULD ENTER THE INITIAL PROGRAM WITH THEIR SHARE OF THE FULL SCALE DEVELOPMENT COST, AN ESTIMATED INVESTMENT OF 15 MILLION KRONER (APPROXIMATELY \$3 MILLION), PLUS AN OPTION TO COMMIT NORWAY TO PARTICIPATE FULLY AT A LATER DATE. EMBASSY COMMENT: THE ORIGINAL NORWEGIAN DRAFT COMPROMISE, COMMUNICATED TO THE CABINET BY LETTER FROM FOSTERVOLL (PARA 4 REFTEL), APPARENTLY CALLED ONLY FOR A NON-BINDING "STATEMENT OF INTENT" TO ACQUIRE AIRCRAFT AND JOIN THE CONSORTIUM;

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WE HAVE SUCCEEDED IN SHARPENING NORWEGIAN AWARENESS OF THE PROBLEM AND GETTING AN OBVIOUSLY UNACCEPTABLE COMPROMISE SIGNIFICANTLY REVISED. END COMMENT FOSTERVOLL APPEARED FULLY COGNIZANT OF THE LOST BENEFITS THAT ANY SIGNIFICANT DELAY WOULD NECESSARILY IMPOSE ON NORWEGIAN INDUSTRY. ACCORDING TO FOSTERVOLL, IF THE CABINET AND STORTING ENDORSE THIS COURSE OF ACTION, NORWAY WOULD SEEK AN OK FROM THE OTHER THREE CONSORTIUM PARTNERS AND BE PREPARED TO SIT DOWN AND NEGOTIATE THE DETAILS OF THE COMPROMISE WITH THE US SOMETIME AFTER THE EASTER HOLIDAYS.

5. I BELIEVE THAT MY MEETINGS MARCH 6 HAVE BEEN MOST SUCCESSFUL IN ALERTING PRIME MINISTER BRATTELI TO THE SERIOUSNESS OF THE PROBLEM FROM THE AMERICAN POINT OF VIEW BEFORE THE SUBJECT CAME UP FOR DISCUSSION IN THE CABINET. THE NORWEGIANS WILL TAKE NO PUBLIC ACTION THAT WOULD IMPACT ON THE MARCH 24 MOD MEETING IN BRUSSELS. MUCH REMAINS TO BE DONE BY THE BRATTELI GOVERNMENT IN SEEKING CABINET/STORTING ENDORSEMENT BEFORE THIS COMPLEX ISSUE IS EVEN PRESENTED TO THE CONSORTIUM PARTNERS. BRATTELI BRIEFED FOREIGN MINISTER FRYDENLUND IMMEDIATELY AFTER OUR MEETING AND FRYDENLUND HAS PROPOSED THAT WE GET TOGETHER ON THE ISSUE NEXT WEEK. CABINET MEETINGS TO DISCUSS THE AIRCRAFT ISSUE WILL BE HELD ON MARCH 18 AND 19 AND THE PRIME MINISTER SUGGESTED THAT WE MEET FOR LUNCH ON MARCH 20. I ALSO PLAN TO REVIEW THE

SUBJECT WITH PARLIAMENTARY LABOR PARTY LEADER
AND DEFENSE COMMISSION CHAIRMAN ODVAR NORDLI AT
MY EARLIEST OPPORTUNITY.
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